

# **A STRATEGIC AND COMMUNITY PLANNING ANALYSIS OF MUSQUEAM FIRST NATION'S COMMUNITY CENTRE**

By

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## **Abstract**

The development of Musqueam's Comprehensive Sustainable Community Development Plan (CCP) tells the story of Musqueam First Nation. In development for over four years, the CCP is built on Musqueam values and it provides the community and its leadership with direction and guidance on how the community develops. An award-winning plan it has set the standard for effective, responsive and integrated community based strategic planning. It will assist Musqueam to become a self-sufficient, self-governing Nation and a complete and healthy community.

This paper will focus primarily on one component of Musqueam's CCP, the development and implementation of Musqueam's new Community Centre. A key principle of the CCP was that internal capacity building and development of planning tools were integrated into the strategic plans of Musqueam's administration departments. This means departmental strategic plans; work plans and budgets were linked and coordinated with CCP community objectives and actions. Before the Community Centre was identified as an actionable item, strategic plans and budgets were developed, identified and considered in detail before action was taken on construction. The following analysis will examine the set of circumstances around the goal of creating a Community Centre with the ability to generate revenue for Musqueam's facilities while maintaining a connection and balance to the deeply held principles and values espoused in the CCP. Ultimately, the paper will provide a framework for balancing the dual purposes of the Community Centre within the

context of the CCP and the need to create a sustainable revenue-generating asset in order to cover the costs of maintaining the facilities.

**Keywords:** Musqueam; Community Centre; Planning; CCP, First Nation; social enterprise.

## **Executive Summary**

The development of Musqueam's Comprehensive Sustainable Community Development Plan tells the story of Musqueam's past, present and future path. In development for over four years, the CCP is built on Musqueam values and it provides current and future leadership, administration and the community with direction and guidance on how the community develops and grows. An award winning community plan, it has set the standard for effective, responsive and integrated community based strategic planning. Its primary purpose is to assist Musqueam in becoming a self-sufficient, self-governing Nation and a complete and healthy community.

This paper will focus on one component of Musqueam's CCP, the development and implementation of Musqueam's \$10-million new Community Centre. A key principle of the CCP was that internal capacity building and development of planning tools were integrated into the strategic plans of Musqueam's 12 administration departments. This means departmental strategic plans; work plans and budgets were linked and coordinated with CCP community objectives and actions. Before the Community Centre was identified as an actionable item, strategic plans and budgets were developed identified and considered in detail before action was taken on investment, capital acquisitions and ultimately final construction. Despite the number of hours dedicated to creating appropriate plans and budgets, there was a failure to develop a business plan for the Community Centre in order to ensure the facility would be sustainable, cover operational

and maintenance costs and even provide for a minimal revenue-generating asset. This paper will provide planning and financial recommendations in order to meet the careful planning objectives developed for the Community Centre through the Comprehensive Planning process.

The objective of this paper will assess Musqueam's level of success in creating a social venture through its infrastructure by appropriately balancing the needs of the community with the need to offset costs of the facility. Most notably, the paper will provide recommendations to improve its performance as a social venture by operating like a for-profit but manage its operations in pursuit of social and environmental goals as established through Musqueam's CCP.<sup>1</sup> For First Nations in Canada and Musqueam in particular this goal is a lofty one, the challenge is the ability of the administration to balance the needs and values of the community with the intent to cover operational costs and make some money while doing so. Trying to meet this goal requires very serious consideration of the environment this model will be created in. First Nations in Canada have been marginalized in the economic sector largely due to poorly functioning institutions and lack of good governance structures, which are systemic to First Nations because of colonialism in general, and Canada's Indian Act in particular. As important determinants of economic success, does Musqueam have the control and authority to make key decisions, provide for good governance and have functioning governing institutions that will 'set the table' for a successful community enterprise in its newly built Community Centre?

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<sup>1</sup> BC Centre for Social Enterprise. Website: [www.centreofsocialenterprise.com/what.html](http://www.centreofsocialenterprise.com/what.html). Accessed January 28<sup>th</sup>, 2015

The paper will examine the set of circumstances around the creation of the Musqueam Community Centre as a revenue-generating asset for Musqueam First Nation while maintaining a deep connection to Musqueam principles and values as set out in its community plan; *We are of One Heart and Mind*. The analysis will further review Musqueam's capacity that would allow for a successful social enterprise in the community through the Centre while balancing the needs of the community (as expressed in the Community Plan) with the intent of generating revenue to offset the costs of operating the Centre. Fundamentally, the paper will provide recommendations to provide targets for revenue generation in the facility while maintaining the value of the core purpose of the centre.

## **Dedication**

To my husband, Richard Sparrow, for his ongoing support in completing this work.

Thank you for all that you do as we raise our new and growing family in the midst of this program. The completion of this project could not have been accomplished without your support.

Thank you to Musqueam First Nation and all who assisted and supported me through this program. The willingness of the community, the administration and its leaders to support community members and their families is inspiring. I raise my hands to you,

hay čx<sup>w</sup> qə



## **Acknowledgements**

I cannot express enough thanks to Dr. Mark Selman and the entire team at the EMBA Aboriginal Leadership Program for their ongoing support and encouragement for the past two and half years. It is with genuine and sincere appreciation I have for all the learning opportunities provided to me in this program.

Thank you to my supervisory committee for taking the time and consideration in reviewing my final project paper on a tight deadline. Finally, to my colleagues in Peak Performance, your patience, understanding, flexibility and support during the program is much appreciated and gave me much comfort as I managed our teamwork and a new family. My heartfelt thanks.

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## **1: History of Musqueam First Nation and its Comprehensive Sustainable Community Development Plan**

Musqueam have been present in their traditional territory since time immemorial.

Musqueam archaeology artifacts over 9,000 years old have been found in their traditional territory, which is 144,888 hectares and includes all of present day Vancouver extending east up the Fraser Valley. Musqueam people are a fishing people whose culture and civilization are closely aligned with the Fraser River along whose banks they still live today. The name, Musqueam, means People of the River Grass and relates back to the grass that grows in the Fraser River estuary in the tidal flats and marshlands. Musqueam ancestors were strong, independent people, as they are today. They governed themselves according to specific social, cultural and moral codes. All members had a specific role and a responsibility. First contact occurred in 1791 and settlement was well established by the mid-1800s. Prime land was pre-empted by settlers and lands were surveyed with no regard to Musqueam title or interests. Eventually, Musqueam was relegated to three small parcels of reserve land – a fraction of Musqueam’s traditional territory.

Musqueam’s CCP is the most comprehensive planning project the Nation has ever undertaken, however its development was informed by and builds on previous planning and capacity building projects and initiatives. The underlying driver to the community development planning process has been one that reflects the principles and values of the community. Musqueam people are stewards of their territory and caregivers for

generations to come and therefore the importance of planning wisely for their lands and community is incorporate into the plans.

Musqueam are people of the rivergrass and this is reflected in the approach to planning the team undertook. The plan itself and the creation of it followed eight main principles. These principles were incorporated into each departmental plan and the overall process reflected the foundational principles.

1. Participatory – As one of the most important principles in this process, the CCP used a community-based and member-driven approach that involved on and off reserve members, Elders, youth and staff, leadership, Musqueam committees and various other stakeholders. There were over 100 project meetings and workshops which informed the development of the CCP. This type and level of citizen engagement reflects the new approach to governance and will continue with the implementation of this plan.
2. Strategic – Musqueam’s strategic planning included processes of formulation and implementation and ensured both were coordinated. The work was organized around a five phase planning process with a guiding question for each phase. With each question there were a number of corresponding tasks. For these tasks, structured decision making tools were used to reach a transparent decision that considered both the community values and technical facts.
3. Musqueam – The plan itself incorporates traditional knowledge and governance approaches that Musqueam value. Family meetings were used and more

consensus-based decision making was implemented to reflect the values in the CCP.

4. Thoughtful and detailed – Musqueam administration and community have carried out a considerable amount of community planning work. From the development of the Physical Development Plan in 2002 to our ongoing monitoring and evaluation program (which includes a comprehensive 4-year Musqueam appropriate Census), the work generated is considered carefully and incorporated into many, if not all, aspects of the plan.
5. Entrepreneurial – Musqueam intentionally decided not to conform to conventional Aboriginal Affairs and Northern Development government funding models and instead choose to partner with external stakeholders such as the Vancity Credit Union and the Real Estate Foundation of BC to secure the necessary resources. Musqueam did provide seed funding for the project, Musqueam ultimately funded less than 10% of the entire budget from our own source revenues and created important partnerships along the way.
6. Practical – The CCP did more than provide direction to our leadership and list of actions to choose from. Through intensive community involvement it prioritized objectives, linked with actions, tied them to departmental work plans, resources and budgets and ultimately provided short, medium and long term actions. A good example of this prioritization was the fact that the new Community Centre ultimately was the number one large scale project that resulted from our Legacy Project in 2009.

7. Educational – Through the CCP, Musqueam trained and increased the capacity of several departments in administration and provided hands on learning to the project support team in strategic planning, community engagement, facilitation, and structured-decision making.
8. Learning, Sharing and Giving Back – Throughout the planning process, Musqueam sought the knowledge and experience of others and shared their experiences with other First Nations, project partners and governments through government-to government sessions. It was very important to the Musqueam team that ongoing sharing of the success (and challenges) of this process was shared and will continue to be shared, so others can learn from the experiences and lessons learned from this process.

With these values in place, the plan was grounded in Musqueam culture to respect these principles while encouraging the social and economic development of the people and community. The plan also seeks to serve the sustainable development goals of the community in order to build on the vision of a healthy, vibrant community that embraces best practices in mixed-use buildings like the Community Centre. While Musqueam was acutely aware that integrated decision making, comprehensive planning and breaking the pervasive cycle of crisis management was and is difficult, the CCP provided a vehicle for significant results of our planning process. Once such result was the “Heart of the Community” new facilities that are changing how our community functions with more effective systems of governance, renewed relationships with regional government,

partnerships with private enterprises and overall a renewed trust and more hopeful outlook of the community members.

Musqueam's official CCP was completed and signed off in July 2011. From the CCP, Council, administration and community started immediate action on a number of plan related projects. The Heart of the Community development plan includes a new Cultural Education Resource Centre, the new Community Centre and Gym (officially completed on March 31, 2012), a children's playground, rehabilitated and renovated Longhouse and a developed 40-unit single-family subdivision. Also included in the Heart of the Community Plan was a funding campaign for a new multi-family affordable housing development and a Safe Home to support families in need. During this time, Musqueam was successful in transitioning to new economic development governance structure that separates business from politics with the creation of the Musqueam Capital Corporation.

Throughout the planning process, Musqueam addressed and integrated aspects that affect quality of life and a healthy community. By weaving together community, council and administrative priorities, the CCP shared a long-term commitment to collaboration, dialogue and transparent accountability. Sustainability was an important concept that was integrated into all aspects of the plan. For Musqueam sustainability is about understanding the links to the past, embracing their inherent connection to the land and resource, identifying economic opportunities and building on strengths to create a plan that works for Musqueam. When it comes to sustainable economic development, the CCP is Musqueam's guiding plan and it will provide the vision to guide Musqueam to a



healthy, prosperous and positive future. The CCP also provides current and future leadership, administration and community members with an envisioned roadmap to the Nation's future. As actions are implemented, and as the community grows, Musqueam administration and leadership will continue to take part in setting or changing priorities through ongoing engagement and input.

The community objectives created through the CCP process and developed by community members remain the core focus of any planning and implementation process of the two core objectives. The two core objectives are; become a self-sufficient, self-governing Musqueam Nation and become a complete, healthy Musqueam community. When examining the purpose, intent and vision of Musqueam's new Community Centre it must be through the lens of the core objectives, but also the 11 community objectives that are prioritized by the community on an almost annual basis. The following list summarizes the community development objectives Musqueam members identified through a 2008 survey. They are organized in order of community priority.

1. Address our housing needs: Over 200 members are on Musqueam's growing housing list, a highly constrained and limited land base with competing land uses required and the majority of homes in need of repair. This community objective has always been the number one priority since the CCP process began.
2. Advance better governance of the Nation: As number two on the priority list, Musqueam recognized that to successfully achieve the overall vision and mission of the community was to improve governance structures. In response to this

- priority, leadership and administration have moved to create a separate economic governance structure that clearly separates politics from business with clear policies, principles and procedures that also manage business risk.
3. **Improve health and well-being:** Improving the overall health of community members ranked high in many of engagement sessions and surveys. This also included the importance of recreation (active and passive) for all ages. Improving recreation facilities and services was then separately identified as its own objective.
  4. **Address community's recreational needs:** This objective emerged as an important part of the CCP process. This objective focused on the community's need to support recreational opportunities for on and off reserve members, as well as a vehicle to promote relationships with First Nations and to bring the community together to promote healthier lifestyles.
  5. **Address Musqueam's educational needs:** As one of the top priorities, education is fundamental to individual and community success and an integral part of Nation building. This objective usually is always in the top 5 priorities when ranked by community members.
  6. **Achieve financial self-sufficiency:** For Musqueam achieving financial self-sufficiency is important in becoming a self-reliant Nation. This objective includes goals to promote sustainable revenue generation, provide dividends to shareholders (i.e. members) and generate funds required to pay for community services and facilities.

7. Support youth involvement: Education, recreation and culture are areas that are currently being focused on in order to encourage youth empowerment and engagement.
8. Protect the environment and conserve natural resources for Musqueam use: As stewards of their lands and resources, Musqueam is taking the lead in the management of their land and continue to work with others to conserve what remains for future generations.
9. Take pride in Musqueam culture: This objective is to ensure that Musqueam culture remains, present and vital in community member's everyday lives. It is to encourage culture through traditional teachings, practices, skills and values.
10. Support members to get the jobs they want: This objective includes focus on created more effective employment support for entry into the labour force and culturally appropriate skill development and training programs.
11. Support Musqueam Elders: Elders are consistently engaged in all processes in the community in order to ensure that they play a role in helping guide Musqueam's way into the future.

Collectively, these eleven objectives were used to understand and evaluate community development choices, provide a basis for prioritizing and to make necessary trade-offs and to demonstrate that choices were made using a consensus-based decision-making approach. The objectives continue to help guide future community development. In pursuit of the development of the Community Centre, Musqueam administration and leadership found value in using the CCP and its objectives to make the decision to start

construction of the Community Centre, however since the grand opening in 2012 there has been a breakdown in the continued use of the planning that went into the facility. Nevertheless, there is a continued effort to balance the CCP principles with the creation of a sustainable Community Centre in the first two years of its operation.

## **2: Musqueam's New Community Centre in the Context of the Community Development Plan**

As part of Musqueam's award winning Comprehensive Community Plan, Musqueam members developed and Council approved a shared vision for the heart of the community, this plan was simply the "Heart of the Community Plan." The vision for this plan was to create and build spaces where people can live, learn, work and play within walking distance to places where culture can be shared and taught, facilities where people can work and build capacity and finally, a space that connects Musqueam to the Fraser River, an integral part of a fishing community. Musqueam's new Community Centre was approved in 2009 and construction completed in 2011. The Community Centre is a new 31,000 square foot multi-purpose facility adjacent to the Administration building and across the street from the new Cultural Education Resource Centre. The Community Centre complex has a full size gymnasium with upper viewing area, a fitness centre, change rooms, a lounge, a youth centre, a full commercial kitchen, classrooms, boardroom, yoga studio and administration offices. These new facilities led to a need for detailed policies and centralized management beyond what was developed in the Comprehensive Planning Process.

The Musqueam Facilities team manages the space and a Facilities Operational Implementation Committee (FoI) provides oversight. The FoI Committee consists of three members from Musqueam Chief and Council, the Band Manager, the Chief

Financial Officer and the Public Works Manager. The Facilities Manager who manages event crews, catering and operational and maintenance requirements leads the day-to-day management of the facility. Appendix two provides an organizational chart of the FoI Committee and Facilities management.

The CCP and Heart of the Community Plan is the vision for the community but also sets the context in which decisions are made regarding the use and design of the Centre. Any long term planning for the facility is governed by this vision and by the goals set out in the plans. The Facilities Operational Implementation Committee (FoI) further developed draft policy and procedures to ensure the highest and best use of all facilities, through venue rentals and sponsorships, balanced with healthy community access via member rentals and Band-run programs. To date, management has been using draft policies to manage the space however, these policies need to be finalized and approved. The FoI committee has developed and approved a mission statement that outlined two further goals:

1. The facilities department will address the physical and financial obligations related to the Musqueam-owned buildings, working with the Public Works department effectively and efficiently; and
2. Main objectives include marketing the facilities to external clientele and ensuring access and service to the community for events and programs and lastly to improve cost recovery.<sup>2</sup>

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<sup>2</sup> Musqueam First Nation. Musqueam Facilities Power Point Presentation. Fall 2014. Courtesy of Musqueam Administration.

The strategic actions outline important goals that will assist the facilities to maximize revenue potential. A few examples of the strategic actions are establishing a relationship and protocol with other First Nations for access to Musqueam facilities, establishing a relationship with other levels of government and establishing relationships with corporate partners as sponsors and rental clients. There are other strategic actions, such as establishing a protocol for Musqueam band member access to facilities and ensuring community confidence through a clearly defined policy framework. The challenge with these strategic actions is how to prioritize these community-based actions with the revenue generating strategic actions. What could be the benefits and what are the potential trade-offs in order to balance the needs of the community with the need to ensure Musqueam can cover costs. Please see appendix one, which outlines in detail the Facilities Strategic plan overview, which details operational objectives, strategic actions and proposed action items.

Since the inception and creation of the FoI committee and the hiring of a facilities manager a number of action items have been completed since 2012. These action items include development of marketing and sponsorship materials, increases in facility use and reservation requests over the past two years and a narrowing of the gap between revenue generating and non-revenue generating events.

After the official opening of the Community Centre in March of 2012, the centre had the potential to meet the dual needs of the community and the administration. Using the plans

developed through the CCP and the Heart of the Community Plan, the Community Centre had the ability to financially succeed early on, however, for the past two years this has not been the case. The centre has been carrying a deficit. The next two chapters will describe some of the current challenges facing the Community Centre, while detailing financial costs of revenue and non-revenue events in order to cover operational and maintenance costs of the facility over the longer term. These chapters will develop further scenarios for ensuring the Community Centre is generating revenue without compromising the principles of the community as expressed through the Comprehensive Sustainable Community Development Plan. In addition, the chapters will complete an analysis of a best-case financial scenario whereby social impacts are considered in light of the trade-offs that will need to be made to insure that a robust and positive social enterprise business is created and maintained through Musqueam's Community Centre.

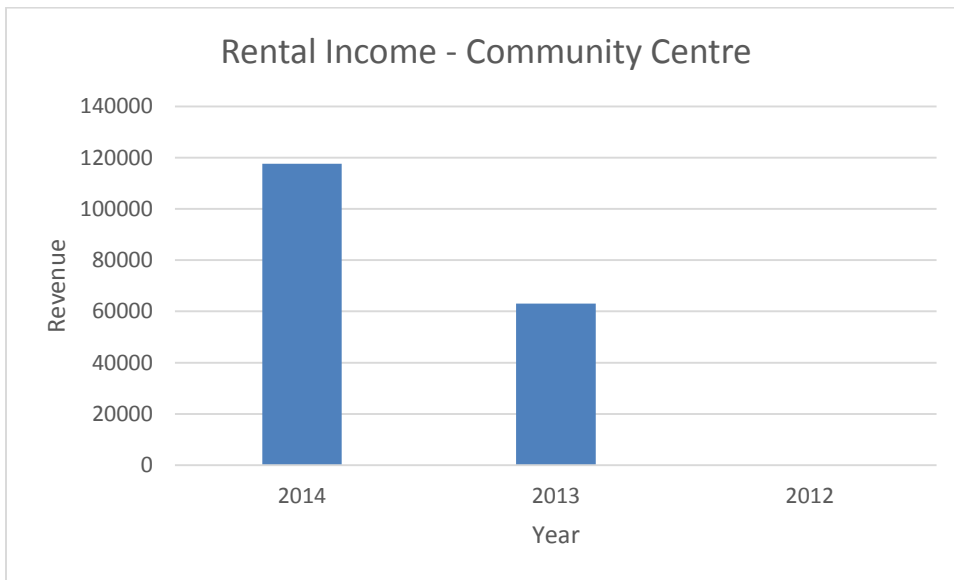


### **3: Current Performance of Musqueam's Community Centre**

Musqueam's Community Centre financial reporting has its own intricacies in part due to the complex organizational structure of Musqueam administration. This organizational system works within the confines of the governance system created by the Indian Act and this system ultimately governs the requirements for the financials of the facilities department. The facilities manager tracks the financials for each facility (Community Centre, Cultural Centre, Sports Field, 51<sup>st</sup> Hall and Crown gym) based on the reporting requirements of Musqueam administration. Musqueam Administration conducts an annual audit of the financials and relies on the auditing process to provide an adequate reflection of financial performance to date. Each facilities financials are tracked separately despite overlapping objectives. Musqueam Cultural Education Resource Centre is primarily used as a rental space and the building contains a front reception area, museum/gallery containing archaeological and historic artefacts, a centre meeting room, cultural/language classroom and office. The 51<sup>st</sup> Hall is used for office space and a small rental space for community members. The 51<sup>st</sup> Hall houses Musqueam's Economic Development Corporation. Musqueam's sport fields are two soccer fields, one turf and one natural grass, and preference for their use is provided to Musqueam's soccer teams and rentals as available to outside soccer teams/customers. The Crown gym is an older building and provides limited programming and services to the community.

The Community Centre is located in the heart of the community, alongside Musqueam's administration offices. The purpose of the Community Centre is two-fold. The primary purpose is to provide programming and services to community members for the health and benefit of the community. The secondary purpose is to ensure some revenue generation through the Centre's spaces to cover operations and maintenance. There are challenges regarding the continued ability of the Community Centre to operate within its available resources. Currently the Community Centre is running a deficit and the facilities department has been tasked to seek and raise the necessary funds to cover operations and maintenance without running a deficit. Any fundraising or grants received through the facilities program are unstable. Most often sources of outside funding will not fund programs indefinitely; therefore, in the past two years, facilities receives confirmed and continued support through a band revenue subsidy in order to cover the deficit. The facilities manager has recognized that the Community Centre can be sustainable without running a deficit and one of the strategic actions has been to create a sponsorship plan through the creation of relationships in order to cover the gap in costs for the Community Centre. For example, the sponsorship plan could take the form of a sponsorship agreement with Musqueam First Nation and not just the facilities department. This would enhance the value of the relationship with any potential sponsors, since the relationship with the broader organization could bring in other potential opportunities for the sponsor such as working with Musqueam's Capital Corporation. As with the sponsorship arrangements recently developed for a Musqueam exhibition, the potential sponsorships developed for facilities could have a strong marketing component, which can be assessed quantitatively.

Figure 1 – Rental Income of Community Centre by year



While rental revenue for the facilities increased from 2013 to 2014, the net revenue for the Community Centre is in a deficit. In 2013, the centre was \$132,321 in deficit. In 2014, the deficit was \$240,799. Deficits are usually covered by a band revenue subsidy. However, the Cultural Centre facility is running a surplus and the surplus may be used to cover the deficit in the other band-owned buildings. While this is a short-term option, the long-term sustainability of the Community Centre can be found in working towards the strategic objectives developed for facilities through the CCP. The centre should not be dependent on other facilities to cover its deficit especially when it has potential to

breakeven through its current spaces and implementation of its strategic plan. Chapter 4 will cover recommendations in order to create a financially sustainable Community Centre.

Currently the facilities strategy for the Community Centre has been a combination of implementing a low-cost focus strategy and a differentiation strategy depending on the market segment targeted. The two strategies are a direct reflection of the dual purposes of the Community Centre. The low-cost focus strategy is meant to target to local community members. For example, rental space is provided to community members as a priority and members provide a small rental fee to cover costs. This strategy does not provide revenue to the facilities department. The differentiation strategy provides rental space and value-added services (i.e. indigenous tours, unique catering, etc) at a premium price to organizations and individuals who are interested in Musqueam First Nation. Due to the combination of the often-conflicting strategies, the facilities program has created an interesting challenge. The challenge lies in facilities ability to balance the aspects of each strategy in order order to cover the costs to operate and maintain the facility.

Specifically, the market in which facilities provides a low-cost strategy is internal to the community who wish to use the facilities and Community Centre programs. The Community Centre keeps the prices of its programs extremely low in order to ensure that programs are accessible to all members of the community but more importantly, this strategy is used because community members believe access to the Community Centre is a right. The reason for this belief has a long history of community expectation and more

recently is expressed as the recreational objective in Musqueam's Comprehensive Sustainable Community Development Plan. The Community Centre's ultimate purpose is to improve health outcomes for community members as expressed in one of the main objectives of the plan. Overall, the facilities department works diligently to provide programming to community members at extremely low costs and uses its resources creatively and efficiently. The facilities department works hard to maintain a low-risk profile with the resources it does acquire, however the centre continues to run a deficit because the priority purpose of the centre is the value it creates for the community. It is the facilities department job to find avenues to create additional revenue without compromising the primary purpose.

In regards to its differentiation strategy, this strategy is in place specifically to target a market segment outside of the Musqueam First Nation community. The Community Centre positions itself as a destination retreat, offering a "world-class experience."<sup>3</sup> This is expressed as a First Nation experience whereby visitors and users can tour Musqueam's unique Cultural Education Resource Centre and Museum, and experience spaces that embody indigenous connections to Musqueam land and culture. This experience can also include catering that provides traditional indigenous cuisine, tours to learn and enjoy Coast Salish art and tours that provide specific information for niche audiences (ex: ancient plants, salmon habitat, historic trails, Musqueam history, etc.). In an effort to differentiate itself from other recreational providers, the facilities department also provides active and passive recreational programs. For example, active programs include activities such as yoga and zumba while passive programs include opportunities

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<sup>3</sup> Musqueam Facilities Powerpoint presentation. Fall 2014. Courtesy of Musqueam Administration.

such as learning how to weave, craft nights and musical instrument lessons. The facilities department works with the recreational department to create space and programs that could potentially cater to various population segments. The strategy employed by facilities to provide unique and different products to customers' works well in Vancouver. Other community centres are not able to provide similar services that Musqueam's Community Centre is able to provide. Working within this differentiation strategy, Facilities and Recreation has a decentralized structure (i.e.: recreation does not report directly to facilities) which allows greater flexibility to cater to external market needs and ultimately to the community. Despite the effort to differentiate itself from other local community centres, little was completed in order to promote the unique programs and services to outside community market segments. A small amount of seed funding went towards marketing in the early functioning of the Community Centre; however, marketing materials are limited with no exposure on the Musqueam website or other social media outlets. This was a recognized gap and has not been a high-level priority due to other challenges that require attention.

One of the major impacts to the Community Centre operations is the level and availability of funding, outside of the Band Revenue subsidy, which can fill the operations and maintenance deficit. Funding opportunities are also weak for space programming in the Community Centre. The level and availability of funding with many not-for-profit organizations or social enterprises and especially with First Nations is inadequate, piecemeal and in short supply. With over 170,000 registered charities and

not-for-profit organizations in Canada<sup>4</sup> and other First Nations, competition for resources is immense. Every one of these organizations compete for government support, corporate sponsorship, foundation grants and individual donations. To date the Community Centre under Musqueam facilities has not been awarded any external funding; however, the recreational department has been able to access small grants from organizations and government and often rely heavily on this type of funding. The downside in this type of industry is that this type of support is usually one-time funding and does not provide for the long-term sustainability of programs and services that could offset any deficits the Community Centre accumulates.

Not only is competition fierce for external funding, competition is also high in this market because Musqueam First Nation is located within the urban core of the City of Vancouver. What this means is that competing with Musqueam's Community Centre is 23 other civically run community centres throughout Vancouver, which also offer venue rentals and recreational programming and are available to those interested in acquiring rental space or who wish to take part in specialized programming. Facilities such as the Dunbar Community Centre and Jewish Community Centre represent competition within the industry that provide programming and spaces for rental, however price, style and quality vary drastically between programs and facilities. For example, local community centre programs range from less than \$3 per session to \$11 per session, while most Musqueam Community Centre programs suggest a donation or less than a \$3 cost per session, which is at par or less than a reasonable alternative in the surrounding community. The similarities between Musqueam's Community Centre and Vancouver

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<sup>4</sup> Imagine Canada. <http://sectorsource.ca/research-and-impact/sector-impact>. Accessed February 10<sup>th</sup>, 2015.

run community centres is that the civic run centres received guaranteed annual municipal support to operate the community centres. For Musqueam, the next fiscal year (2015-2016) the facilities will again receive a band revenue subsidy in order to cover the deficit that it has been experiencing for the past 2 years.

Similarly, there is competition for venue rentals in the surrounding area. The prices and cost in Musqueam's Community Centre is comparable to similar type venues. One of the few competitive advantages Musqueam's Community Centre has is the ability to promote itself as a destination retreat catering to individuals and organizations who are genuinely interested in Indigenous culture or who wish to support First Nations in general. Being able to identify itself as a unique experience, facilities management could potentially charge more for venue rentals to cover operational and maintenance costs if the target market appreciates the advantage of providing their business to a First Nation or if there is a bundling of services attached to venue rentals. While this specific aspect has not been analysed in detail, it could provide an additional increase in revenue.

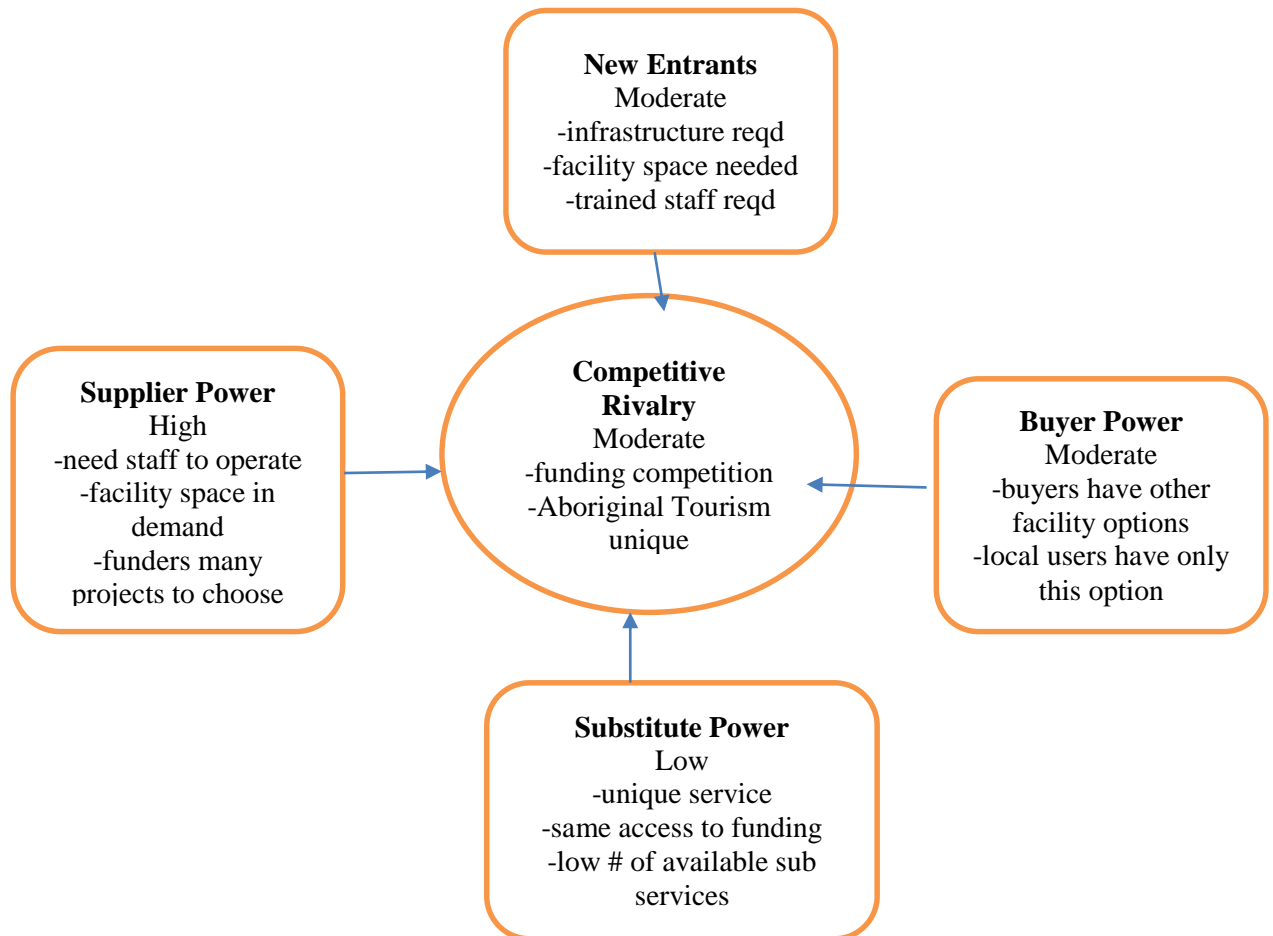


## **4: Analysis and Recommendations**

In many ways, the Community Centre and the facilities in general is using the best strategy for a specific market segment to its advantage. Overall, in terms of strategy the Community Centre could improve its position by focusing on its one competitive advantage and differentiate itself in order to provide a unique customer experience. To begin with, facilities works effectively and diligently to keep costs down in areas such as administration and program development. One major gap is that the facilities department priorities should not overlap with Administrative priorities of the office space located on the second floor of the Community Centre. It is important to note that the facilities department is currently covering the overhead and maintenance costs for the departments that work in the Community Centre. Direction from the FoI committee should be provided to differentiate the two components in the Community Centre in order for management to manage the space according to its objectives and priorities as set out by the CCP. This direction needs to be considered and balanced by the FoI committee and provided to the appropriate personnel in the departments.

In order to provide an analysis of the Musqueam's Community Centre position, below is figure 2, which examines the Centre through Porter's Five Forces.

Figure 2. Musqueam's Community Centre and Five Forces Analysis



As demonstrated by the figure above, the challenges facing Musqueam's Community Centre are supplier power and buyer power. Barriers to entry are relatively high considering the necessary infrastructure required to offer facility rental and programs. Supplier power is high, people are required to manage the space and there is pressure to ensure community members are employed to run the day-to-day activities of the space; however, the pool of trained members to choose from is highly competitive. In addition, buyers who are not looking for a unique indigenous experience to complement their need

for rental space, have many local options to choose from for rental space. Due to Musqueam's location in urban Vancouver, there are many other options for buyers and potential buyers to choose in the local community along a wide spectrum of price and offerings (ex: Dunbar Community Centre to Cecil Green at UBC).

The advantages Musqueam's Community Centre has is the uniqueness it can bring to a customer who is looking for a distinctive experience. This experience is centred on the value-added experiences Musqueam facilities can provide to potential customers. These experiences range from historical tours, cultural exhibition in Musqueam's museum, archaeological tours and watershed/stream tours. The threat of substitute services is very low and with low potential for the customer to choose a similar product, the facilities department should employ a differentiation strategy that focuses on the shareholder value model. This model would work for Musqueam's facilities department in promoting itself to potential customers because the services the Community Centre can offer to a customer are unique to Musqueam only.

Ultimately, Musqueam's Community Centre suffers from a lack of financial resources to cover capital costs, operational, and maintenance costs. This is largely due to the imbalance of band member rentals to outside customer rentals. As discussed in Musqueam's CCP, the Community Centre's main purpose was to address the community's recreational needs. The initial community survey in 2008 ranked the community's recreational needs as its number one priority. This priority changed in the Musqueam Census of 2012, recreational needs dropped, while housing, governance,

education and financial self-sufficiency took the priority top spots. Facilities management, senior administration management and the FoI Committee need to determine the best fit for facilities staff to prioritize strategic actions while balancing community needs. It is important to note that 2015-2016 band subsidy for the Community Centre is \$122,499 and while revenue is increasing, the following recommendations can assist the department in becoming self-sustainable. The recommendations below, in no particular order, should be considered in addressing the financial gap and balancing this gap with community needs and priorities.

## Recommendations

1. Increase revenue in three ways in order to decrease the band revenue subsidy.<sup>5</sup>

Choosing the right customers, offering differentiated products and services and implementing a user fee. These recommendations work in conjunction with recommendation number 3 because staff are required to develop and implement this recommendation.

- i. First, the facilities manager requires time to develop relationships with customers. This requires attendance at trade shows and actively pursuing potential customers. It also requires additional investment in a marketing campaign in order to increase revenue and for the Community Centre to differentiate itself from other potential substitutes. In the 2013-2014 fiscal year there was a \$5,081 expenditure on marketing, this expenditure needs to

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<sup>5</sup> Musqueam First Nation. Musqueam Finance Presentation\_Approval March 19<sup>th</sup>, 2015.pwt.

be increased for the upcoming fiscal year. For the next fiscal year, management should consider doubling this amount, which would represent less than 3% of the Community Centre budget, and setting quantifiable indicators for marketing success. For example, tracking customers on social media using analytic software which in turn can provide reports to senior management and leadership to demonstrate potential success of increased marketing.

Fostering corporate sponsorships is an avenue in whereby there could be substantial growth and ultimately these partnerships will benefit Musqueam as a whole. These partnerships can be sourced through relationships between senior leadership but also through the facilities manager. As discussed earlier, the sponsorship agreement can provide a wide range of benefits to the sponsor and can be detailed and managed by the facilities manager. In addition, targets can be made for establishing different levels of sponsorship, for example \$1,000, \$5,000 and \$10,000. Musqueam can also leverage current relationships with other organizations (ie: YVR, Port Metro Vancouver, UBC, etc) to test the viability of potential long-term sponsors.

- ii. Continuation of the unique tours and indigenous experiences will provide added-value to the customer. Highlighting this aspect of the facility will increase its profile as providing an exclusive and distinctive experience. Focusing on this aspect of the services in a marketing campaign will increase

the profile of the facility and hopefully attract additional customers. Guided tours are priced at \$300 per group (maximum 25 people) or \$25 per person. Half of this amount will go to the tour interpreter, while the remaining half will be allocated to cover the overhead costs of the tour. A similar historical tour provided by the Squamish Lil'wat Cultural Centre costs \$135 per person.<sup>6</sup> Promotion of the Musqueam guided tour through the new marketing campaign and increasing the price per individual for guided tours would assist in covering deficits. The facilities manager could test an increase in price for tours for individuals and groups by increasing the cost by 100% (\$50 per person and \$600 for groups larger than 12).

- iii. Implementing a user fee especially for non-community members could be an option, however the revenue generated via this approach would be minimal because outside users of the facility are atypical. A user fee or pay per use could be considered for specialized programs such as yoga, pilates, etc. and this fee would be used to cover instructional costs and rental costs. The user fee would be minimal, less than \$5, and would be voluntary (on a trial basis). While the user fee is an option to cover one-time costs, sustainability of the facility on a grander scale is dependent on the facilities manager to build relationships and sponsorships at a higher level.

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<sup>6</sup> Squamish Lil'wat Cultural Centre. Website: <http://slcc.ca/>. Accessed March 15<sup>th</sup>, 2015.

2. Optimizing the use of assets and facilities in at least two ways. This recommendation speaks to the opportunity of the facilities department to focus on its primary objective to “address the physical and financial obligations related to Band-owned buildings . . . and marketing the facilities to external clientele.”<sup>7</sup> If it is unclear what the primary objectives of the facilities department is, senior management, the FoI Committee and, if necessary, Chief and Council need to make a clear decision as to what the primary objectives are and rank objectives as required. These are the objectives as outlined in the strategic plan, see appendix one. This decision is the first way to optimize the use of the centre, once this decision is made all further decisions can be grounded in this understanding. This decision is integral to the operating of the Community Centre. The dual purposes of the building need to be managed appropriately and reflected in the detailed policies that are developed. Since 2012, management has been working from draft policies. One important policy, the rental policy, needs to be finalized and approved and it has to reflect the principles of the CCP and the needs of the community. The FoI Committee needs to review this policy and recommend to Council for approval in order for management to implement.

It is generally understood that the primary purpose of the Centre is for heart of the community as described in the CCP, while the secondary purpose is to offset costs through facilities rental, value-added services and programming. The FoI Committee can decide how much to invest in marketing and make a decision

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<sup>7</sup> Musqueam Facilities Department PowerPoint Presentation to Facilities Operational Committee and Musqueam Chief and Council. Fall 2014.

regarding the addition of facility employees if it is important to the Committee and the management team to cover the deficit the Centre is running. Based on last year's numbers the deficit is \$132,321 for the Community Centre. Increasing revenues through customer service and exploring market segments not previously sold to (through expanded relationships created through senior management and Council) are opportunities facilities can try to exploit to cover the deficit. Before management can move on these opportunities, the leadership need to make a decision regarding new investment into the facilities department.

The second way to optimize the use of the asset is for the facilities manager to set financial indicators and deliverables for each quarter to cover the deficit and eventually reduce, over time, the band subsidy. For the next financial year, facilities to target 30% more of outside sales. Based on last year numbers this would bring sales to \$152,916.24. If growth in sales is maintained at the same level that occurred between 2013 and 2014 (54% growth), the 30% target is a reasonable level of achievement. In addition, the 2015-2016 budget has allocated \$158,560 for band revenue subsidy, the target growth in sales would then be able cover the majority of the subsidy. The long-term goal would be to reduce the band revenue subsidy over subsequent years with incremental growth in sales as well as finding savings in expenditures. Expenditure cost-saving can be found through sharing some of the utility and janitorial services cost to Musqueam Administration due to the fact that a number of Musqueam departments are located in the offices found in the Community Centre. Additional savings could



be found in the purchase of equipment, computer licences/support and professional services in computer (which represents 14% of all the expenditures) in upcoming years since the need to purchase equipment will not be at the same level it was when the Community Centre was initially setting itself up for operations in 2012 and 2013. A 2014 target reduction of 6% whereby these line items represent 8% of expenditures would save the facilities department around \$22,000 a year.

3. Increase returns on operating cost investments by choosing the right employees and working with them to maximize their productivity and creative ability. Staff time and resources could devote a part of their responsibilities to communications, marketing and developing relationships/corporate sponsorships. The first step in improving efficiency of the facilities staff is to ensure the facilities manager has the appropriate staff in order for the manager to devote time required to achieve the objectives of meeting sponsorship targets and developing relationships. Currently the salary expense is minimal (\$31,851) and represents only 11% of the Community Centres operating expenses. Hiring a full-time facilities assistant to support the manager would be beneficial in providing time and resources to develop revenue generating opportunities as well as ensuring quality services are provided to current customers. The hiring of an assistant would alleviate time pressure on the facilities manager to cover perfunctory duties and allow for the manager to devote some of their responsibilities to priorities that would enhance the use of the Community Centre. Consideration should be giving to hiring a

marketing or communication assistant, on a short-term contract, to reinvigorate a communication and promotion campaign. This reinvigoration can include a social media campaign with the creation of separate website to promote the unique services the centre provides. The social media campaign would also be beneficial to any potential sponsorships developed for the Centre since many potential sponsors love to see their brand shared alongside Musqueam's logo generally and the Community Centre specifically.

4. Management to have a clearly defined and approved workplan and budget going forward in order to reduce the potential to depend on band revenue subsidies to cover financial shortfalls. In addition, to have the workplan and budget tied to performance reviews of senior management to ensure adherence to the priorities set out by leadership and community. Any consideration of future expansion in rental offerings, value –added services such as tours or expansion in program offerings within the Community Centre has to be considered carefully in lieu of the fact that current management and qualified staffing levels may be too lean to provide ongoing quality services. Senior management and leadership should remain cognizant of the need to provide the necessary resources to facilities in order to meet expectations and on a go forward basis. Working with CCP documents, such as the strategic plans and departmental workplans, leadership and management can form the basis of moving forward and making fundamental decisions regarding the purposes of the Community Centre and all Musqueam facilities. There are many years of hard work in the Comprehensive Plan and the Heart of the Community Plan, and going back to pick up this good work can

provide the accountability and transparency management needs to ensure appropriate priorities are in place for the purposes of creating a viable and sustainable Community Centre.

## **5: Conclusion**

As Musqueam's Community Centre provides services for a market both internal and external to Musqueam First Nation, it is crucial for management and leadership to balance the priorities of the community with the need to meet the financial obligations faced by the Facilities department, in their role as Community Centre managers.. When the need of the community and the administration is to fit the Community Centre into a social enterprise model, it is imperative that clear policies are in place and that the strategic plan is adhered to in order to ensure that the infrastructure and the cost to operate the structure can be sustainable in the long-term. Leadership and Management can look to the CCP and its coordinating departmental plans as a template to form the foundation to move forward on.

The sustainability of the Community Centre is important to the community and is an integral pillar to the Heart of the Community by realizing its social purpose. While it is important that the Centre is a separate revenue-generating entity that is self-sustainable, it is ultimately a space that recognizes and celebrates Musqueam culture and identity. It is a space where people of all backgrounds can gather to work, play, learn, practice culture and make money. Moving forward, the Community Centre is more than just a revenue-generating asset, it is the embodiment of the core values of the Comprehensive Sustainable Community Development Plan:

To become a self-sufficient, self-governing Nation; and

To become a complete and healthy Musqueam Community.

## **Appendices**

### **Appendix 1 – Musqueam Facilities Department Strategic Plan Overview**

# Musqueam Facilities - Strategic Plan Overview

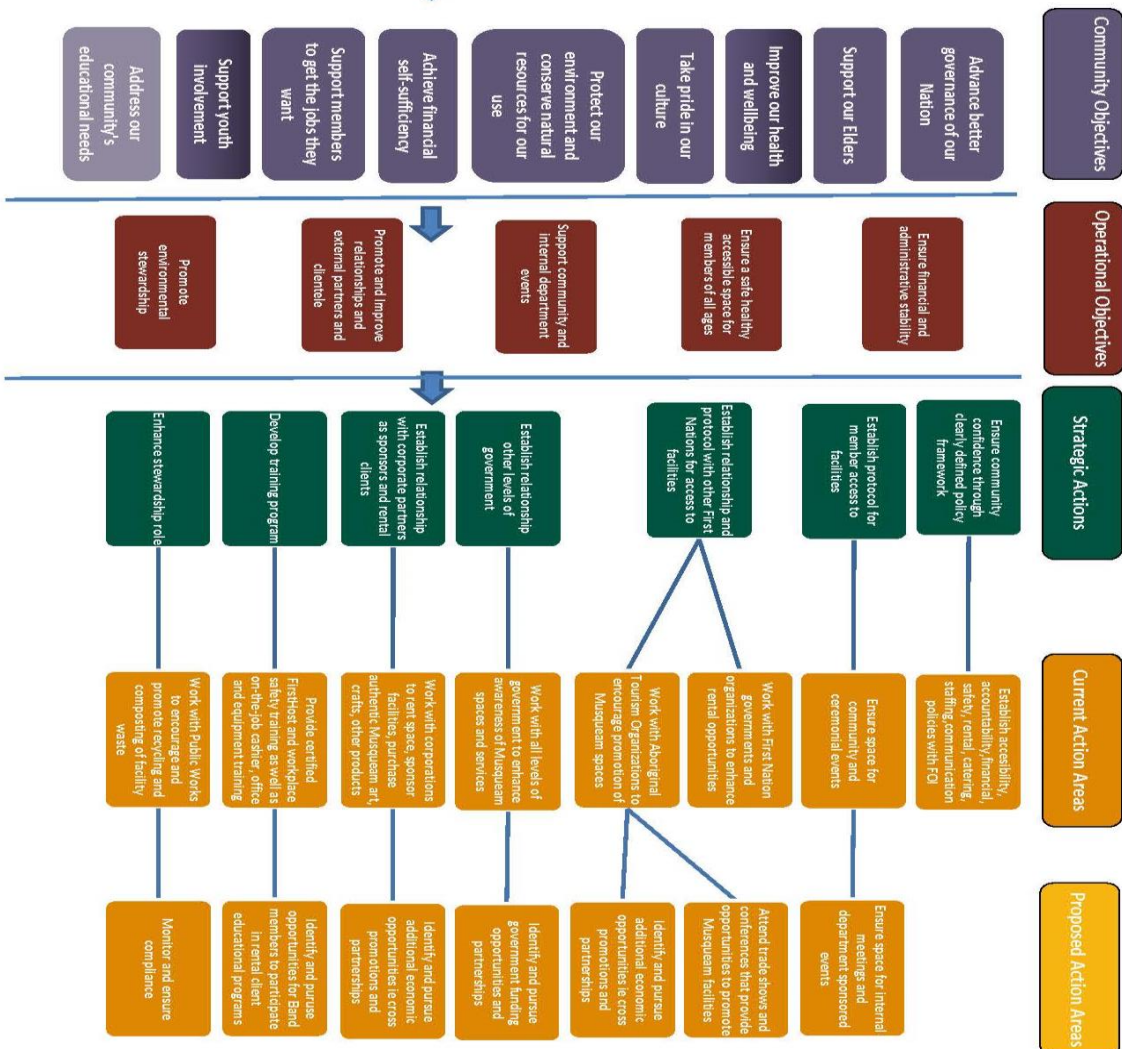
## Mission

- The Facilities Department addresses the physical and financial obligations related to Band-owned buildings, working with the Public Works Department effectively and efficiently.
- Our objectives include marketing the facilities to external clientele, and ensuring access and service to the community for events and programs, improving cost recovery.

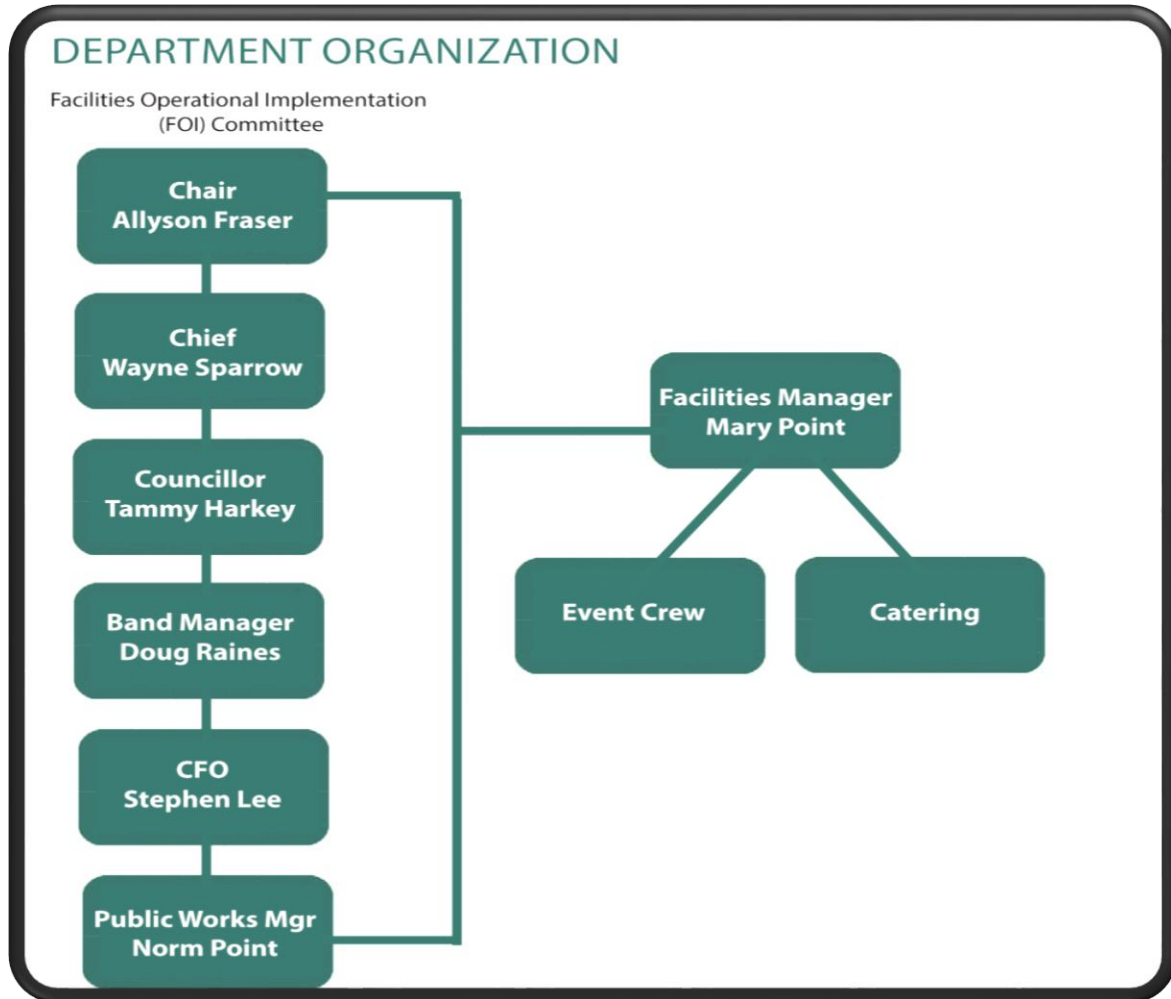


- Checklist**
- ☒ Community input
  - ☒ PA work plans
  - ☐ PA review
  - ☐ Band manager review
  - ☐ Committee of council
  - ☐ Council

DRAFT: October 9, 2013  
For Discussion Only



## Appendix 2 – Facilities Operational Implementation Committee Organizational Chart





## **Appendix 3 – Musqueam First Nation Research Permit**



**MUSQUEAM INDIAN BAND**

6735 SALISH DRIVE  
VANCOUVER, B.C.  
CANADA V6N 4C4  
TELEPHONE: 604 263-3261  
FAX: 604 263-4212

**MUSQUEAM INDIAN BAND  
PERMIT TO CONDUCT RESEARCH  
IN MUSQUEAM TRADITIONAL TERRITORY**

PERMIT NUMBER MIB-14-121-MB

This is to certify that the Musqueam Indian Band Council authorizes

Dianne Sparrow, Executive MBA Candidate in Business Administration, SFU  
(Name of Researcher)

To conduct research in Musqueam Traditional Territory.

To investigate Musqueam CCP and details around the development and implementation of the new Community Centre

(Research description if applicable)

Consisting of: a case study with the primary focus on the development and implementation of Musqueam's new Community Centre. Researching of CCP files and background data relating to Musqueam's CCP

Subject to the following conditions:

1. The Permit Holder will obtain prior approval and make all necessary arrangements for the final deposition of research materials, upon authorization from the Musqueam Band Manager or designate, and any associated documentation with the  
Musqueam Indian Band Library and Archives  
(Name of approved repository)
2. The Permit Holder will review, with persons designated by the Musqueam Band Manager or designate, all film, audio recording and documents generated during the period of this permit to properly determine which field documents should be copied for deposit with the Musqueam Indian Band Archives.
3. The Permit Holder will adhere to all Policies of the Musqueam Indian Band relating to heritage resources.
4. The Permit Holder will adhere to the standards and guidelines accepted by the Musqueam Indian Band.

Other: SEE ATTACHED for full project description

  
(Musqueam Indian Band Manager)

2014 / 09 / 26  
Yr. Mo. Day

**DOUGLAS D. RAINES**  
CHIEF ADMINISTRATIVE OFFICER  
MUSQUEAM FIRST NATION

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